MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY FINAL EXAMINATION

TRIMESTER 2, 2022/2023

DBE5214 BUSINESS ETHICS

8 JULY 2023
9:00AM-11:00AM
(2 Hours)

INSTRUCTIONS TO STUDENTS:

a. This question paper consists of 4 pages with 4 questions only (including the cover page).

b. The total mark for this exam is 100 marks and it carries 40% weightage towards your overall grade for this subject.

c. Please answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

d. Please write all your answers in the Answer Booklet provided

Question 1

a) Elaborate what is business ethics? The universally accepted basic moral principles respected by stakeholders are known as hypernorms. Describe **FIVE (5)** hypernorms that organizations uphold as essential principles within their organizational setup.

(15 Marks)

Case Study: 1Malaysia Development Berhad (1MDB) Scandal

Introduction:

The 1Malaysia Development Berhad (1MDB) scandal is a prominent case in Malaysia that highlights the absence of ethical practices in businesses. The scandal involved the misappropriation of funds from 1MDB, a state-owned investment company. This case study aims to explore the factors that contributed to the unethical conduct within 1MDB and the subsequent repercussions.

Background:

1Malaysia Development Berhad (1MDB) was established in 2009 with the objective of promoting economic development in Malaysia through strategic investments. However, it was later revealed that billions of dollars from the company's funds were misappropriated for personal gain by high-ranking officials and individuals associated with the company.

b) Explain the **TWO (2)** primary factors that contribute to the occurrence of ethical problems in the 1Malaysia Development Berhad (1MDB) case.

(10 Marks)

Continued...

Question 2

Case Study: CIMB Group Holdings Berhad
Introduction:
CIMB Group Holdings Berhad is a leading banking group in Malaysia known for its strong commitment to good corporate governance practices. The company has implemented various initiatives to uphold transparency, accountability, and ethical conduct, setting a positive example of corporate governance in Malaysia.
Key Elements of Good Corporate Governance at CIMB:
1. Independent Board of Directors:
CIMB has a well-structured board of directors with a significant number of independent directors. These directors bring diverse expertise and experience to the board, ensuring that decision-making is objective and free from conflicts of interest.
2. Robust Risk Management Framework:
CIMB has established a robust risk management framework to identify, assess, and mitigate potential risks. The company places a strong emphasis on risk governance, ensuring that risks are adequately monitored and managed at all levels.
3. Clear Code of Conduct and Ethics:
CIMB has a comprehensive code of conduct and ethics that sets out the standards of behavior expected from all employees.
4. Shareholder Engagement:
CIMB actively engages with its shareholders and provides regular updates on its performance, strategies, and governance practices.
5. Board Committees and Internal Controls:
CIMB has established various board committees, such as the Audit Committee and Risk Committee, to ensure effective oversight and control over key areas of the business.

a) Discuss **FIVE (5)** significance and prominence of implementing good corporate governance practices in organizations. Provide CIMB insights to support your answer.
(15 Marks)

b) An audit committee assists the BOD in carrying out their responsibilities relating to the organization's accounting policies, internal control, and financial reporting practices. Elaborate **FIVE (5)** key practices that an effective Audit Committee should implement to ensure strong corporate governance.
(10 Marks)

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Question 3

a) What is consumerism? Explain **FOUR (4)** positive business responses to consumerism, including strategies and practices adopted by companies.

(15 marks)

b) Consumer Act 1999 has been a practice to protect consumer in Malaysia. What are the **FIVE (5)** goals of consumer law in protecting the consumers in Malaysia?

(10 Marks)

Question 4

a) Discrimination remains one of the more prevalent concerns in international business. Explain **FIVE (5)** initiatives that companies can take to effectively address discrimination issues in the workplace. (15 marks)

b) Discuss the importance of advancing human rights within business organizations and the role they play in promoting a responsible and ethical business environment.

(10 Marks)

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